

Mr. Edward R. Saunders

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Procurement and Supply Division

The difficulties which we will experience in obtaining the supplies, equipment, and services other than personal for the Strategic Services Unit and the Central Intelligence Group under the present procedures are as follows:

1. As I understand it, the Strategic Services Unit organizationally and administratively is under the supervision of the War Department.

2. The Central Intelligence Group, by presidential proclamation, is an independent agency, the support of which is contributed by the State, War, and Navy Departments on a proportionate basis.

3. Based on suppositions 1 and 2 above, it will be necessary for the Procurement and Supply Division to route all requisitions originating with SSU activities through the Office of the Secretary of War for filling. The Office of the Secretary of War, under Mr. Kenyon, is divided into a number of administrative groups according to the type of material or services to be procured, which means, probably, that we will be working through from 15 to 25 different individuals who will handle and process requisitions which are submitted. I understand that the service through that organization is comparatively poor; and in addition, it would be extremely difficult for us to follow the requisition to the person who is to take action. The SSU has a similar setup to the setup of the Office of the Secretary of War, but established on a much more efficient basis because of the fewer number of people which have to be served. Quick action can always be obtained through our present facilities. In cases of emergency, a request would have to originate from the initiating office to Procurement and Supply, who would relay the request to the Office of the Secretary of War, who in turn would contact the source of supply. Administratively, the latter step seems to be unnecessary, as the personnel in SSU are fully qualified and experienced in procuring supplies and services.

Another difficulty would be that of selection. In many instances we have certain specifications and a desire to select the material to be procured, and the possibility of selection by the procedure of going through the Office of the Secretary of War would be impossible. A further difficulty will be because of the large volume of requests which Mr. Kenyon's office is handling. My experience in the Department of Agriculture and the Treasury Department has been that a comparatively large number of requisitions are placed on them it is impossible to find them.

In connection with building maintenance and structural changes which are required in SSU buildings, such requests would have to be submitted through Mr. Kenyon's office, which would take weeks before any move could be planned and would be almost impossible of coordination with arrangements made for telephone changes and other things. Structural changes in buildings would undoubtedly require months before action would be taken. It would seem that for

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an activity such as SSU, together with CIG, whose organizational setup would be changed frequently, and with sudden expansion of activities, authority could be obtained so that the agency would not be administratively handicapped precluding quick action on administrative matters.


4. I understand that all publications are procured through the War Department library, and at best, with direct distribution of publications now received, a number of difficulties are experienced. The routing of these requests for publications through Mr. Kenyon's office to the library, who in turn go back through Mr. Kenyon to arrange for the procurement of the publications and the arrangement for delivery either direct to the library or to SSU, seems endless in administrative procedure with absolutely no gain in efficiency and a great deal of loss in connection with the practical use of the publications requested. It is important for the intelligence activities to receive their publications while the news reported is still news. Any lapse of time would make the publications almost useless.

5. In connection with CIG, the support of which is to be contributed by the three departments as mentioned above, it will be necessary for Procurement and Supply to allocate the requests among the three departments and to establish liaison with every administrative activity in each of the departments. Further, it will be necessary to determine at least an estimated cost in each case and to distribute the requests on some kind of a proportionate basis which would have to be given to us probably as a result of a determination to be made by the National Intelligence Authority.

6. The only practical approach as a solution to this problem is the allocation on a proportionate basis from each of the departments, with the establishment in CIG of a working fund, in order that the individual appropriations could be charged directly and requests for supplies or services procured directly against such funds. Since the administrative activities of SSU are being preserved for the purpose of transfer to CIG, which is to be established as some type of agency operating independently of any department under whose jurisdiction it might come, there is nothing being saved by the present procedure in the way of administrative salaries or overhead. The same overhead exists, and will continue to exist, and the only thing to be accomplished by the establishment of these procedures is slowing down the operations of an expanding agency, administratively crippling the SSU and CIG activities, and the net result being loss of time, money, and efficiency.

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